



ALTERATION OF THE MONEY LAW.

A SYSTEM DESIDERATED WHICH WILL RETAIN ALL THE PRESENT SECURITY WHICH WE HAVE FOR THE PAPER CIRCULATION, AND AT SAME TIME PROVIDE FOR THE PRICE OF GOLD RISING AND FALLING, LIKE OTHER COMMODITIES, WHEN ITS VALUE CHANGES IN THIS COUNTRY.

MR DUNCAN'S LECTURES ON MONEY.

—TO THE EDITOR OF THE WITNESS.

Edinburgh, 5th January 1849.

SIR,—I sincerely trust that Mr Duncan, in his forthcoming lectures, may confine himself to the question of money, and avoid, for the present, the question of currency. PAPER MONEY I understand to be paper made by law a legal tender, while paper CURRENCY is the issue of the joint stock and private banks, which are not a legal tender; and I am a monetary reformer, but not a currency reformer (except that I would do away with the monopoly part of Sir R. Peel's act of 1844, thus throwing banking open to all, subject to the same restrictions, and enabling the present banks to increase their issues as they increase their paid-in capital).

To constitute a man a monetary reformer, I don't see it necessary that he should hold that confidence is to be created by an enlarged issue of bank-notes. I view this as putting the cart before the horse; as I see that we must first create confidence, and look to that as sure to call for and sustain increased issues of paper. In fact, to my mind, THAT MAN IS A MONETARY REFORMER WHO DESIRES TO SEE PAPER MONEY A LEGAL TENDER, thus enabling gold to find a price in the market equivalent to its value.* The public at present gets no profit by the circulation; and the country would be no worse off if Government were to constitute a bank of issue, by simply taking twenty millions of sovereigns out of circulation, and issuing in their stead paper pounds as a legal tender. Thus we see that no one need run away with the idea, that to monetary reform an issue of paper, based upon nothing, is necessary. MONETARY REFORMERS WANT TO MAKE THE EFFECT OF THE EXPORT OF GOLD, OR AN ADVERSE STATE OF THE FOREIGN EXCHANGES, TO BE, TO REDUCE THE EXCHANGEABLE VALUE OF MONEY, AND NOT, AS AT PRESENT, TO CAUSE A FALL IN PRICES OF COMMODITIES AND WAGES; and such a note as the following would compass this object (as well as meet an extraordinary importation of gold from California or elsewhere):—THE GOVERNMENT BANK OF ISSUE PROMISES TO PAY TWENTY SHILLINGS, STERLING, OR A QUARTER OF AN OUNCE OF GOLD, WHEN ITS VALUE IS 50s PER OUNCE, LESS GOLD BEING PAID WHEN THE PRICE IS HIGHER, AND PROPORTIONABLY MORE WHEN THE PRICE IS LOWER, THAN LA THE OUNCE.

We must promise to pay a value in gold, and not a certain quantity of gold, as at present.—Yours very respectfully,

ISAAC BUCHANAN.

* To fix the price at which gold could be demanded, Parliament might appoint five London merchants, superior to all Government and Bank influence, as Commissioners, who would daily publish the market price of gold in the *London Gazette*, and in all the large towns of the United Kingdom.—(From 'Lectures on the Subject of the Currency,' addressed by me to Lord George Bentinck, as Member of the Committee of the House of Commons on the Commercial Distress of 1847, dated New York, 10th March 1848.)

PROPOSED SYSTEM OF MONEY OR LEGAL TENDER.

—TO THE EDITOR OF THE WEEKLY REGISTER.

Edinburgh, 5th January 1849.

SIR,—Your judicious remarks on the forthcoming lectures in the Philosophical Institution have attracted my attention. Mr Duncan's views, however, I am aware, extend only to the removal of those impediments to nature which Sir Robert Peel has created. He is not a quack doctor, pretending that he can do more in the cure of the country's social diseases than the removal of those morbid influences which weigh down the natural energies of the country's industry, and make a permanent recovery of mercantile life and confidence impossible. I have been long a student of the currency, and since the American panic of 1837, my attention has been incessantly bent on monetary science, which I then recognised to be at once by far the most important of our national subjects, and one of the least understood of them. I saw that a low fixed price

of gold must in every country create low prices of commodities and of wages, while in this country, with the foreign exchanges against us, it must precipitate the export of gold, or in other words the loss of bank facilities, and the consequent reduction of the employment of the population. Up to 1846 the former evil (the lowering of prices) was what alone we had to contend with. The foreign exchanges being kept in our favour by the protective system, the foreigner had no claim on this country for gold at any price, so it was of no consequence, as far as he was concerned, at what price we fixed it. But in 1846 Sir Robert Peel adopted the principle of free imports, and, if reciprocity to such an extent as on the whole trade with foreign countries to give us back as much specie as other countries take from us be not attained, our banking system will be upset; the second evil I always contemplated, the reduction of employment, coming to be realised in the cruel experience of our masses, and ending, I should fear, in social convulsion.

I think all parties must therefore halt the arrival among us of Mr Duncan, or any other talented expounder of so materially vital a subject, as an event to be improved. Whether we agree or not with the particular remedy proposed, we cannot shut our eyes to the fearful social position in which we may be landed by the disorganization of our monetary systems through the withdrawal of gold—the basis of our mighty superstructure of commercial confidence. I may mention that the great error of most currency reformers is one with which I feel Mr Duncan is to some extent chargeable; THEY MINOLE UP OR CONFOUND THE QUESTIONS OF MONEY AND BANKING. In the extract which you give of Mr Duncan's speech in Glasgow, he says 'When this happens (the exportation of specie), the Bank of England is compelled by the Bill of 1844 to contract its issues of paper pounds, which occasions a ruinous derangement of all commercial circles.' Now, I contend that it is Sir R. Peel's bill of 1819 that compels this, and that prudence would dictate the curtailment of the paper circulation, in the face of an export of gold, equally as if the Bill of 1844 had never existed. I view the science of our MONEY to be embodied in the Bill of 1819, and the arrangements of our Banking to be contained in the Bill of 1844. Currency reformers may support the latter (especially if UNDER THE RESTRICTIONS of that act all were free to commence new banks), and the monetary movement should be entirely confined to the overthrow of the bill of 1819.

I am not afraid but that we shall have plenty of circulation if we could only get CONFIDENCE. To expect confidence to be created by an increased issue of paper is to put the cart before the horse. Give us confidence, and we shall soon have plenty of paper money. On what, then, does confidence depend? I may answer, on the presence of gold or other perfect security, that a paper circulation, sound and in sufficient quantity, will be maintained at all times, without our foreign trade having the power to disturb it.

The popular prejudice runs in favour of gold and silver, and I see no sufficient reason why we should not humour it, and retain these commodities as the security of the circulation. I WOULD BY LAW REQUIRE THE BANK OF ISSUE, WHOSE NOTES ARE MADE A LEGAL TENDER, NEVER TO HAVE LESS THAN TEN MILLIONS IN ITS VAULTS, AND NEVER TO HAVE LESS THAN TWENTY-FOUR MILLIONS OF NOTES IN THE HANDS OF THE PUBLIC. Such would be the permanent basis on which I would build my SYSTEM OF CONFIDENCE. No change need be made in the present arrangements, and the Bank of England might go on issuing the Fourteen Millions without specie, and Ten millions represented by bullion, were it not that

* For instance—With wages near the starvation point in this country, the foreigner finds he can for 4s get either an ounce of gold or 80 yards of cloth at 1s per yard, and he may probably take the cloth in preference; but as soon as prosperity raises prices, say to 1s 3d per yard, the foreigner finds his advantage in taking away our gold, of which, from its being fixed in price, he can still get an ounce, while of the cloth he can now only get 64 yards for 4s. This state of things is the more galling and positively unjust to our home industry, as it is clear that for the commodity which the foreigner himself imported he must have got the paper, or 'prosperity' price.

the paper, under my system, would be payable in the British or London market price of gold at the moment—thus involving the possibility of a loss, as well as a gain, to cover the chances of which to the public the Crown must have the use, without interest, of the £14,000,000 not represented by bullion. Under my plan, therefore, the Government would at once establish a bank of issue, giving to the Bank of England PAPER A LEGAL TENDER for Twenty-Four Millions, say the debt of £14,000,000, and specie to the same amount. This bank of issue would pay its notes at the market price of gold and silver, until the notes in the hands of the public got down to £34,000,000, when they should be inconvertible until they again rose to £38,000,000, (showing Fourteen Millions of specie in the vaults).

It will be clear to you that my object is to revolutionise our monetary science back to Mr Pitt's system, which existed from 1797 to 1819, although we have in our power (what Mr Pitt had not) to SECURE THE BANK-NOTE CIRCULATION BY GOLD, WHILE WE DO AWAY WITH GOLD AS A FIXED STANDARD OF VALUE. I am a bullionist, but not a 'fixed standard bullionist' (whose principle crushes down prices and wages), and not to the extent of paying away to foreigners our specie after it gets down to that certain amount which our own home trade requires, and without which our national employment dies a natural death. My pound-note would run thus—THE GOVERNMENT BANK OF ISSUE PROMISES TO PAY THE BEARER TWENTY SHILLINGS STERLING, OR A QUARTER OF AN OUNCE OF STANDARD GOLD, WHEN THE FOREIGN EXCHANGES ARE AT PAR, AS EVIDENCED BY THE PRICE OF GOLD BEING EIGHTY SHILLINGS THE OUNCE, LESS GOLD BEING GIVEN WHEN GOLD IS HIGHER IN PRICE, AND PROPORTIONABLY MORE WHEN THE PRICE OF GOLD IS LOWER THAN LA THE OUNCE.

If what you say of the discoveries of gold in California be true, we shall have all men with *fixed incomes* turning against the fixed price of gold, for it is clear that if gold becomes greatly increased in QUANTITY it will become proportionally diminished in exchangeable VALUE, and the only safety for men of money will be to HAVE THE LEGAL TENDER ALTERED FROM BEING A FIXED QUANTITY TO A FIXED VALUE OF GOLD.

In conclusion, I may just remark that, as under my system the Bank of Issue would be entitled to issue to the value of the gold in its vaults, any vacuum caused by such an export of gold as should raise its price, could at once be filled up by an extended issue of paper money. On the other hand, the paper would have to be taken in as importations of gold reduced its value; to provide for which loss to the bank the public would have any gains that may formerly have arisen from gold rising, and also the profit of the circulation of the fourteen millions not based on bullion.

The private and joint-stock banks would go on circulating as at present, holding the paper of the bank of issue to the same extent they now hold specie. Their issues are not, of course, a legal tender, and should be termed PAPER CURRENCY, in contradistinction to the paper coined by Government, and made by law PAPER MONEY, or legal tender.

My object in asking you to insert these lengthy remarks is to show the vital importance of the subject on which Mr Duncan is about to lecture in Edinburgh, and also to explain that we may support the principle of Sir R. Peel's bill of 1844, and retain gold as the security of our bank-note circulation, although we practically reform the currency by repealing Sir R. Peel's bill of 1819, thus doing away with the fixed gold standard. This effected, the exportation of gold, or an unfavourable state of the foreign exchange, would be expressed by a rise in the price of all other commodities similar to that which occurs with gold, thus lessening the exchangeable value of money; whereas, under Sir R. Peel's system, which we now have, money rises in proportion with the demand for gold, and this rise is expressed not only in the rise of interest, but in the DRAKEFUL DEPRECIATION OF ALL COMMODITIES AND WAGES.

Yours very respectfully,

ISAAC BUCHANAN.

Formerly Member for Toronto in the first Parliament of United Canada, and President of the Board of Trade of Toronto and Hamilton, Upper Canada.

LEGISLATION ON GOLD.

The most fearful social convulsions could not fail to arise out of any successful attempt in Parliament to perpetuate the principle of Sir R. Peel's Money Law of 1819, by so changing its details as to lower our fixed Price of Gold down to the value to which Gold may fall abroad; for we deceive ourselves if we suppose that the Working-Classes still remain so ignorant as not to know that the lowering of the price of Gold is an equivalent term for raising the purchasing power of money—or, in other words, for lowering the exchangeable value of property, commodities, and labour. The Working-Classes have been taught by long and most cruel experience, that the principle of the Money Law of 1819 practically denies to British labour the reward which the Law of Supply and Demand would naturally award to it, by leading to the export of Gold (which upsets the country's Banking facilities), and thus contracting the currency whenever the Foreigner prefers taking Gold, which he does of course, unless the prices of British Manufactures approximate in cheapness to that of Gold (even although that same Foreigner did not import into this country Gold, or other commodity sold at the cheap rate, but had availed of a Paper or property price for the Foreign Commodities in payment of which the infelicity of our Law puts it in his power to take Gold at a cheap price). They now see clearly, that the fact of Gold being absurdly fixed at the same low rate when it is in the greatest demand when it is in the smallest demand for exportation as a commodity necessarily fixes down, in the general rule, to the same low, mistaken, and reckless standard the remuneration to the producers of British Commodities, which have to be sold against Gold as a Commodity to Foreigners, as well as into Gold as a Money to our own people in the same market! Our Official and Annuitant Classes thus participate in the monstrously undue advantage which the bill of 1819 gives to the Foreigner over the British Artisan, and this sacrifice of our Working-Classes operates a permanent reduction in the price of British products, by so prostrating the British producer himself that he ceases to be a consumer of other than the merest necessities, a large proportion of which, being eatables, now are (under our irrevocable Free-Trade system) the product of foreign labour, in payment of which the Foreigner will never take anything but Gold till compelled to do so by the price of Gold in this country being at an advance over the price abroad, equal at least to the amount of the taxation paid by our Artisan, and the fair profit which the free and unrestricted operation of the natural regulator of prices (the influence of the Law of Supply and Demand in his particular trade) would award him. And, as in this state of degradation in the circumstances of our Working-Classes, few Working Men are in so independent a position as to be able to attend to Politics or Public Questions without fatally injuring their families, it has necessarily followed, that the Working Men have been able to get few leaders among themselves except bad men and bad subjects, who, by their conduct, have deferred the triumph of the great Chartist Principle—UNIVERSAL SUFFRAGE. Now, however, a total change in their views of what is their true interests is coming over the convictions of our Working Men which cannot fail to secure them the active sympathy and co-operation of all our Propertied Classes. The Working-Classes, in their sinking condition, have eagerly caught at such absurdities as Organizations of Labour, Communisms, and Associationisms, from which the Capital Classes were excluded, just as sinking men catch at straws; but strive they have found these delusions to be (however well intended), and our Labouring Masses will no longer permit their reason to be insulted by the silly doctrine that labour is a separate interest. The Working Men now see that the only possible cause of increased wages is increased employment, which can only arise from improving the condition of the employers of labour; and as the Working Men's distresses having led them into a much better knowledge of the Money Question (which is in reality the question of labour's interest), they are now ready to increase the number of labourers by the means of better remuneration, and thus to increase the EXCHANGEABLE VALUE OF MONEY, as when less property and a smaller quantity of commodities come to stand for the same amount of Money, it is evident that less of the Working Man's time and labour will do the same thing. Thus the interests of all classes except the Officials, Annuitants, and Money-mongers, are seen to be the same, and inseparable; and as thousands of the Upper and Middle Classes have no objection to Chartist principles (although they reprobate the conduct of many of the Chartist leaders), Chartistism, under an improved leadership, will soon be in a position to demand and to carry UNIVERSAL SUFFRAGE AS THE ONLY MEANS TO THE GREAT COMMON END in view, if the Money power is found to be so strong in Parliament, as at present constituted, as to prevent justice being done to the labour of the country by the repudiation of the Monetary Schemes of Sir Robert Peel and the usurers.

THE QUESTION OF MONEY—HOW IT WILL BE AFFECTED BY THE IMPORTS OF GOLD FROM CALIFORNIA.

TO THE EDITOR OF THE WEEKLY REFORMER.

Edinburgh, 24th Feb. 1849.—Sir.—The late clever article of the 'Times' on the subject of the money question, and the usual great import of gold would operate on the currency, has delighted as much as it has surprised all monetary reformers, whose fears had been somewhat alarmed by certain obscure and tortuous hints in a December number of Sir Robert Peel's organ, the 'Morning Chronicle,' as to the adjustment which might become necessary between our national interests. To narrow observers it is clear that the 'Times,' that greatest engine of public opinion, has no less certainly reversed itself because it has as usual had ability to do so without the notice of the general public, and that it is now playing away as complacently against the fixed standard bullionists as it has hitherto worked steadily for these Jews and money-mongers. And the monetary reformers may well be satisfied with this great fact, although no man can understand or explain how, on the same principle, the 'Times' could in January contend for the price of gold being by our law kept fixed at £3 17s 10d, and in February contend against the law being altered so as to reduce its price to the foreign level when the value of gold falls abroad. Whorin consists, I should like to know, the difference between the present position of the 'Times' and the views of the monetary reformers against whom it has so long and so ably battled? They have insisted that gold should be permitted to rise from £4 the ounce, say to £5, and the 'Times' does not now insist that gold in price should remain fixed at £4, although its value abroad reduces to £3.

No one can help praising the consistent honesty of the 'Times' in its decision that, as in 1819 gold was by law fixed down to a value less than its market average price in this country, without the debtor class being enabled to discharge their debts with proportionally less gold, so in 1849 the debtor should have the same unjust advantage over the creditor class, as the least repudiation of the law would give to the money-mongers must however deplore that the 'Times' and the bullionists should have taken so low a position in 1819 in regard to money and currency as to view the question as one only between money and property in currency, instead of seeing the chief importance of money to be as a machinery for the production of property and its proper distribution, so as to give the greatest possible advantage to the industrious classes as opposed to the lazy rich, annuitants, or non-producers of wealth. And we can neither be certain the bullionists will act like the 'Times' at the present juncture, nor that the present fortunate decision of the 'Times' flows from any other or higher principle than its desire to make a sacrifice to the money-mongers in order to change in 1849. In fact, as bullionism in the past has been the antipodes of patriotism, we can scarcely expect the bullionists now to adopt the PRINCIPLE OF THE MONETARY REFORMERS, THAT THE DEVELOPMENT OF THE NATIONAL INDUSTRY, OR THE INCREASE OF LABOUR, IS THE ONLY THING TO BE HAD IN VIEW IN THE REGULATION OF THE MONEY LAWS OF ANY COUNTRY. We ought to be prepared for their attempting to reduce the price of gold when it rises abroad, and to fix it at a low foreign price, thus perpetrating and increasing all the present miseries and degradation of our working-classes. And it behoves us then to think whether we can expect that the working men will stand quietly by, and see the threat of their sad golden prospects being undermined by a conspiracy of Jews, money-mongers, and commodities, headed by Sir Robert Peel. The attempt of the money power to neglect or tyrannise, a hitherto, over the labour power of the country, would at least drive thousands of the middle and upper classes to the immediate adoption of Universal Suffrage, as the only means of preventing greater political changes. Nothing but the most abject political helplessness could have made our working-classes endure up to this day Sir Robert Peel's money law. To see this, and to be satisfied that no tyrant in any country has ever

been the cause of so much suffering to his subjects as Sir R. Peel has been to the working-classes, we can only understand the practical operation of his bill of 1819. Under it (with gold here fixed down to the price abroad) our commercial history must necessarily be a succession of money panics, for it is utterly impossible to obtain property without paying for it the same immediate distress in this country. For instance—with wages near the starvation point in this country, the foreigner finds he can for £4 get either an ounce of gold or 80 yards of cloth at 1s per yard. He may probably take the cloth in preference, but as soon as prosperity raises prices, say to 1s 3d per yard, the foreigner finds his advantage in taking away our gold, of which, from its being fixed in price, he can still get an ounce, while the cloth he can now only get 64 yards for £4—the state of things the more galling and positively unjust to our home industry, as it is clear that for the commodity which the foreigner himself imported he must have got the paper, or property price. The export of gold contracts banking facilities, and this lessens the employment of the working-classes. Wages are thus brought back to the standard of our fixed price of gold, and the foreigner again comes into our markets. The moment however a crisis in home trade raises prices to the 'starvation' point, then must the above horrid experience be re-enacted by our to-day-well-fed-and-to-morrow-starving operatives.

But there is the prospect arising from an increased supply of gold, the tables being turned on Sir Robert Peel and his bill, and if the price of gold goes down from £4 to £3 the ounce, the sovereign will essentially have become the same inconvertible counter which it has been the object of monetary reform to get at through the establishment of a paper money (of money without intrinsic value). The action which Sir Robert Peel built his erroneous theory of money (as embodied in his bill of 1819), no longer existing, £4 the ounce of gold, and the value of the pound sterling, as an article of export will no more come into competition with our manufactures. The money of the foreigner who spurred gold at a British price, because he had in his option THE COMMODITY GOLD, at the market price, will then come into our market, and by swelling the number of competitors for British labour, will still more enhance prices and wages. The issue of paper pounds as the legal tender (or payable at the London market price of gold), was the only remedy while the foreign price was as high as our fixed price. In no other way could remunerative prices long be got by our manufacturers and producers, even when they had an extensive demand for their wares—while the article gold always existed equally cheap when scarce as when plentiful in this country. But if the foreign price of gold is to be greatly and permanently lower than £4 the ounce, our retention of the sovereign, as a quarter of an ounce of gold, as the counter for our pound sterling, will suit the same purpose of enabling prices of British commodities to rise to the level of the demand for them; and indeed with our FIXED PRICE ABOVE THE FOREIGN PRICE, THE ISSUE OF THE POUND MONEY AS A LEGAL TENDER WILL BE FAR PREFERABLE, as having two direct advantages which in our circumstances (as having adopted the principle of free imports) will be of vital importance in increasing the employment, and thus sustaining the wages of our working-classes. While we continue to make gold the basis of our bank-note circulation and facilities, it is evidently the interest of our industry that the greatest amount possible of gold be imported, as extending that basis, besides the import of gold being an evidence that we are, just as the export of it is an evidence that we are not, exporting British labour. All therefore will readily perceive that we ought to prefer the sovereign as our legal tender for a pound sterling, when the foreign price of gold is below £4 the ounce, if thereby we attract the exports of preventing gold being exported, and encouraging gold being imported in the greatest quantity.

FIRSTLY.—On the same principle (the defence of British industry) on which Monetary Reformers, when gold tended to advance above our fixed price

of £4, from scarceness, opposed the pound sterling as at all times equal to a quarter of an ounce of gold, we must, in the now altered prospects, resist not only any increase of the weight of the sovereign (or, in other words, any lowering of the price of gold), but WHILE GOLD ABROAD REMAINS UNDER OUR NOMINAL PRICE OF £4, WE MUST YET HAVE THIS PAPER MONEY LAW TO A SYSTEM OF PAPER MONEY CONVERTIBLE AT THE MARKET PRICE OF GOLD, AS THE FORMER ENDS MORE THAN THE LATTER TO PREVENT THE EXPORT OF GOLD. In the latter way there would be more inducement to export gold as a speculation, as the foreigner would get more weight of gold for the paper pound. In the latter way, if the gold was worth £2 in the market, the paper pound would buy half-an-ounce of it, while in the former way if a paper pound would only buy a sovereign, or a quarter of an ounce of gold. On the other hand, it is equally clear, that with the price above £4, our fixed price, the paper system would best check the export of gold, as then, with gold at £4 the ounce, the bearer of a pound note would only get 1-15th of an ounce by this system, while by the other he would demand a sovereign.

SECONDLY.—With the foreign price of gold below our fixed price, it is DECIDEDLY THE INTEREST OF OUR INDUSTRY THAT WE SHOULD SUSTAIN THIS LAW AS IT NOW STANDS, AND PREFER THE GOLD TO THE PAPER COUNTER, AS TENDING MORE TO ENCOURAGE THE IMPORTATION FROM AMERICA OF THE LABOURER'S SHARE OF THE GROUND IN CALIFORNIA. The American will bring more gold here if he is sure to get, at the British Mint, four sovereigns for his ounce of gold, than if the nominal market price in London were £3, for he could not depend on getting British goods equally cheaply as he could the price of commodities is only directly regulated by the demand for the particular articles, and (even at present the low fixed price of gold chiefly operates on prices by upsetting our currency through leading to its export), the price of gold has only an indirect and often remote effect on them to the extent it increases or decreases the demand for goods. Now (supposing wages to have risen 50 per cent, or the cloth to have risen in price to £4 10s, when Peel or the money-mongers would have us fix the gold at £4, if a sovereign for his ounce of gold, could buy 53 yards of the cloth, whereas, were the market price of gold down to £3 an ounce, he being paid in paper pounds, would only get 40 yards of the cloth for £4 10s of his ounce of gold. Thus it is clearly we should get more gold from America by sustaining our present money law, and this is vital for us, not only as securing us larger sales of manufactures, but as the less gold the Americans get in to themselves the slower will be the development of their banking system, and the less ability they will possess to hold their cotton for high prices, and to increase their manufacturing opposition to us in their own markets and those of other countries. And the Americans cannot require the money, or carry on their trade in Mexico, the gold they drew from us in 1847, they could have held their cotton for speculative prices last year, and thus aggravated indefinitely our manufacturing distress in this country.

THIRDLY.—On the importance of the SUBJECT OF MONEY in this particular moment will be had sufficient apology for the great length of this attempt to satisfy those who have no time to reflect on such subjects, or whose habits drizzle them from forming a judgment for themselves, that although with gold scarce and tending in value above our fixed price, our money ought to be paper pounds convertible into gold at its market price in this country, it will become the interest of our industry to sustain the present money law if the price of gold should fall so much below £4 as to leave THE SOVEREIGN SO FAR ABOVE THE FOREIGN PRICE AS TO BE WHAT MONETARY REFORMERS HAVE ALWAYS DEEMED TO BE THE POUND, PRACTICALLY AN INCONVERTIBLE COUNTER.

Yours very respectfully,

ISAAC BUCHANAN,

Formerly Member for Toronto in the first Parliament of United Canada, and President of the Boards of Trade of Toronto and Hamilton, Upper Canada.

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